

MEETING NO. 3248
JOURNAL OF PROCEEDINGS
**BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, NOVEMBER 7, 2019**

9:00 A.M.
RETIREMENT SYSTEMS' CONFERENCE ROOM
ALLY DETROIT CENTER, 500 WOODWARD AVENUE; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

| | |
|--------------------|--|
| Shawn Battle | Ex/Officio Trustee/Fire Prevention Chief/Mayoral Designee |
| Michael F. Berent | Elected Trustee/Fire |
| Matthew Gnatke | Elected Trustee/Police/ Chairperson |
| Angela R. James | Ex/Officio Retiree Trustee/Police/Mayoral Designee |
| Brenda Jones | Ex/Officio Trustee/City Council President |
| Megan S. Moslimani | Ex/Officio Trustee/Corporation Counsel /Vice-Chairperson |
| John Naglick Jr. | Ex/Officio Trustee/Finance Director |
| George Orzech | Elected Retiree Trustee/Fire |
| Jeffrey Pegg | Elected Trustee/Fire |
| Dean Pincheck | Elected Trustee/Fire |
| Portia Roberson | Ex/Officio Trustee/Mayoral Alternate |
| Ronald Thomas | Elected Trustee/Police |
| Gregory Trozak | Elected Retiree Trustee/Police |
| Steven Watson | Ex/Officio Trustee/Deputy Budget Director/Budget Director's Designee |

TRUSTEES EXCUSED

| | |
|------------------|------------------------------|
| Christa McLellan | Ex/Officio Trustee/Treasurer |
| John Serda | Elected Trustee/Police |

ALSO PRESENT

| | |
|--------------------|------------------------------|
| David Cetlinski | Executive Director |
| Kelly Tapper | Assistant Executive Director |
| Ryan Bigelow | Chief Investment Officer |
| Joann Harrison | Board Secretary |
| Ronald King | General Counsel |
| Bruce Babiarsz | Public Relations Advisor |
| Dr. Oscar King III | Board Lobbyist |

STAFF EXCUSED

None

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CHAIRPERSON

Matthew Gnatek

A verbal Roll Call commenced at 9:19 a.m. and Chairperson Gnatek called the meeting to order.

Present at Roll Call: *Michael Berent, Matthew Gnatek, Megan Moslimani, John Naglick, George Orzech, Jeff Pegg, Dean Pincheck, Ronald Thomas and Gregory Trozak.*

Re: Approval of November7, 2019 Agenda

Trustee Pegg moved to approve the agenda dated Thursday, November 7, 2019. Trustee Berent supported. The motion passed unanimously.

Re: Approval of DROP Applications

Trustee Pegg moved to approve the DROP applications as listed below. Trustee Berent supported. The motion passed unanimously.

| | |
|-------------------------------|---|
| NAME, TITLE, DEPARTMENT | Brandon D. Lewis – Police Sergeant - Police |
| RETIREMENT TYPE-PLAN | Drop - New |
| SERVICE CREDIT-EFFECTIVE DATE | 19 08 12 – 10 09 19 |
| NAME, TITLE, DEPARTMENT | Janeen S. Gear-Mitchell – Police Officer - Police |
| RETIREMENT TYPE-PLAN | Drop - New |
| SERVICE CREDIT-EFFECTIVE DATE | 15 11 25 – 10 09 19 |
| NAME, TITLE, DEPARTMENT | Charles L. Roland – Comm Ofcr-Pol Ofcr - Police |
| RETIREMENT TYPE-PLAN | Drop - New |
| SERVICE CREDIT-EFFECTIVE DATE | 17 06 29 – 10 10 19 |
| NAME, TITLE, DEPARTMENT | Matthew A. Vanraaphorst - Police Officer - Police |
| RETIREMENT TYPE-PLAN | Drop - New |
| SERVICE CREDIT-EFFECTIVE DATE | 14 09 03 – 10 07 19 |
| NAME, TITLE, DEPARTMENT | Tyrone Waldon - Police Officer - Police |
| RETIREMENT TYPE-PLAN | Drop - New |
| SERVICE CREDIT-EFFECTIVE DATE | 14 09 04 – 10 09 19 |
| NAME, TITLE, DEPARTMENT | Steven L. Willis - Police Officer - Police |
| RETIREMENT TYPE-PLAN | Drop - New |
| SERVICE CREDIT-EFFECTIVE DATE | 15 08 26 – 10 10 19 |

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Re: Approval of RETIREMENT Applications

Trustee Pegg moved to approve the RETIREMENT applications as listed below. Trustee Pincheck supported. The motion passed unanimously

| | |
|-------------------------------|---|
| NAME, TITLE, DEPARTMENT | Arnella K. Barnes – Police Officer - Police |
| RETIREMENT TYPE-PLAN | Service - New |
| SERVICE CREDIT-EFFECTIVE DATE | 14 08 19 – 11 01 19 |
| NAME, TITLE, DEPARTMENT | Nancy L. Foster – Police Officer - Police |
| RETIREMENT TYPE-PLAN | Service - New |
| SERVICE CREDIT-EFFECTIVE DATE | 17 01 19 – 10 12 19 |
| NAME, TITLE, DEPARTMENT | Samuel N. Jackson – Fire Lieutenant - Fire |
| RETIREMENT TYPE-PLAN | Conversion from Duty Disability Type 35 - |
| SERVICE CREDIT-EFFECTIVE DATE | New |
| | 25 00 00 – 08 17 19 |

Re: Approval of HYBRID Applications

None

RECEIPTS:

The Board acknowledged the following receipts:

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Cash Receipts
Company: RSCD-PFRS
Cash Account: HYBLIQRES
Start Date: 10/11/2019
End Date: 11/4/2019

| Doc. Date | Module | Tran. Type | Doc. Nbr. | Description | R/C | Receipt |
|------------|--------|------------|-----------|---|-----|------------|
| 10/11/2019 | GL | | | Post tax annuity contributions 10-11-19 | | 10,132.63 |
| 10/11/2019 | CA | Cash Entry | 001541 | Pre tax pension contributions 10-11-19 | R/C | 279,950.52 |
| 10/18/2019 | GL | | | Post tax annuity contributions 10-18-19 | | 10,324.13 |
| 10/18/2019 | CA | Cash Entry | 001550 | Pre tax pension contributions 10-18-19 | R/C | 106,722.49 |
| 10/25/2019 | GL | | | Post tax annuity contributions 10-25-19 | | 9,654.20 |
| 10/25/2019 | CA | Cash Entry | 001559 | Pre tax pension contributions 10-25-19 | R/C | 279,913.83 |
| | | | | | | 696,697.80 |

Cash Receipts
Company: RSCD-PFRS
Cash Account: LIQUID RES
Start Date: 10/11/2019
End Date: 11/4/2019

| Doc. Date | Module | Tran. Type | Doc. Nbr. | Description | R/C | Receipt |
|------------|--------|------------|-----------|--|-----|------------|
| 10/18/2019 | CA | Cash Entry | 001549 | Loan Deductions 10-11-19 (\$75,393.36) | R/C | 75,393.36 |
| 10/23/2019 | CA | Cash Entry | 001558 | Loan Deductions 10-18-19 (\$40,259.01) | R/C | 40,259.01 |
| 10/29/2019 | CA | Cash Entry | 001562 | Loan Deductions 10-25-19 (\$71,038.47) | R/C | 71,038.47 |
| | | | | | | 186,690.84 |

Total Receipts 883,388.64

➤ Trustee Watson entered the Boardroom 9:26 a.m.

Re: Approval of Disbursements

Trustee Pegg moved to approve the Disbursement List as outlined below with the exception of the Gallagher Law bill. Trustee Pincheck supported. The motion passed unanimously.

The Gallagher Law invoice is related to services provided to the Investment Committee at the IC's request. Such expenses do not require Board approval under the Plan of Adjustment. However, the Board is required to review and approve all disbursements by the System even where in this circumstance the Board does not agree with the necessity or reasonableness of the expense. The Board acknowledged the Gallagher Law invoice.

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Disbursement Report

Page: 1 of 3
Date: 11/4/2019 9:53 AM

| Account | Payment Method | Currency | |
|--|-----------------------|--|----------------------|
| LIQUID RES | WIRE | US | |
| Vendor Name | Invoice Number | Invoice Description | Amount To Pay |
| BNY Mellon | 111-2019-0036762 | Management Fees - 3rd Qtr '19 | 50,679.56 |
| CRESCENT DIRECT LENDING LEVERED FUND II | 103119 | Capital Call | 2,065,818.00 |
| HAMILTON LANE SECONDARY FUND IV | 102419 | Capital Call | 2,705,326.00 |
| HL - Platinum Equity Capital Partners IV | 110819 | Capital Call | 282,972.00 |
| PLATINUM EQUITY SMALL CAP FUND | 102319 | Capital Call | 983,250.00 |
| TT International | 20190930-114-A | Management Fees 3rd Qtr '19 | 122,594.59 |
| Bridgett Hardy | 103119BH | IT Contractual Wages - October 2019 | 4,560.28 |
| James R. Hollins | 103119JH | IT Contractual Wages - October 2019 | 4,203.77 |
| Raymond R. Tchou | 103119RT | IT Contractual Wages - October 2019 | 7,592.38 |
| Venkat Rallapalli / Highbrow Systems, Inc. | 103119VR | IT Contractual Wages - October 2019 | 6,180.85 |
| Cash Account/Payment Method Total: | | 10 Documents | 6,233,177.43 |
| HUNT VEND | ACH | US | |
| Vendor Name | Invoice Number | Invoice Description | Amount To Pay |
| 500 WEBWARD LLC | 92915 | Door Repair and Odor Tracking | 39.83 |
| 500 WEBWARD LLC | 94079 | November 2019 Rent | 26,050.95 |
| American Realty Advisors (ARA) | 7183 | Management Fees 3rd Qtr '19 | 26,000.00 |
| ATIVO CAPITAL | 2355 | Management Fees 3rd Qtr '19 | 38,809.25 |
| BLOOMBERG FINANCE LP | 5605200502 | Bloomberg Anywhere 10/21/19-1/20/20 | 5,857.75 |
| CDW GOVERNMENT | VDB0951 | Computer Equipment | 407.55 |
| CDW GOVERNMENT | VDF5116 | Computer Equipment | 57.51 |
| CLARK HILL, PLC | 906761 | General Counsel Services for July 2019 | 26,250.00 |
| CLARK HILL, PLC | 922783 | Salkowski DROP Litigation for September 2019 | 1,840.67 |
| CLARK HILL, PLC | 922787 | General Counsel Services for September 2019 | 26,405.40 |
| CRESTWOOD ASSOCIATES L.L.C. | INV051564 | Acumatica Training & Implementation | 75.00 |
| GABRIEL, ROEDER, SMITH & CO | 450402 | EDRO Calculations for Gregory Brown | 1,500.00 |
| Hamilton Lane Advisors, LLC (HL) | 02199 | Management Fees 4th Qtr '19 | 258,656.00 |
| HARDMAN JOHNSTON GLOBAL ADVISORS | DETPFRE888590919 | Management Fees 3rd Qtr '19 | 145,431.08 |

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| Vendor Name | Invoice Number | Invoice Description | Amount To Pay |
|---|---------------------|-------------------------------|---------------------|
| HARVEST FUND ADVISORS LLC | Detroit P&F 2019 Q3 | Management Fees 3rd Qtr '19 | 131,812.07 |
| KENNEDY CAPITAL MANAGEMENT | 3Q19 | Management Fees - 3rd Qtr '19 | 163,453.00 |
| LOOMIS, SAYLES & COMPANY, L.P. | 203003 | Management Fees 3rd Qtr '19 | 61,702.73 |
| PARADIGM ASSET MANAGEMENT CO. | 3Q19 | Management Fees 3rd Qtr '19 | 62,728.58 |
| PAYDEN & RYGEL | 1612-M819 | Management Fees - August 2019 | 8,954.00 |
| PIEDMONT INVESTMENT ADVISORS | INV12266 | Management Fees - 3rd Qtr '19 | 20,561.30 |
| Premier Parking (fka Ultimate Parking) | 192129 | Parking - November 2019 | 1,947.00 |
| PROCENTIA, INC. | 2333 | Procentia Implementation | 55,398.06 |
| PUGH CAPITAL MANAGEMENT, INC. | 3Q19 | Management Fees 3rd Qtr '19 | 51,873.41 |
| QUILL CORPORATION | 2022294 | Office Supplies | 531.00 |
| RHUMBLINE ADVISERS | detpol2019Q3 | Management Fees 3rd Qtr '19 | 15,368.00 |
| RHUMBLINE ADVISERS | g13mpfrsd2019Q3 | Management Fees 3rd Qtr '19 | 5,944.00 |
| SALIENT CAPITAL ADVISORS, LLC | 3Q19 | Management Fees 3rd Qtr '19 | 113,707.53 |
| SMITH GRAHAM | 3Q19 | Management Fees 3rd Qtr '19 | 21,414.00 |
| STEPSTONE GROUP REAL ESTATE LP | 10715 | Management Fees 3rd Qtr '19 | 51,906.00 |
| WELLS CAPITAL MANAGEMENT | 12560426 | Management Fees - 3rd Qtr '19 | 98,821.94 |
| WELLS CAPITAL MANAGEMENT | 12561358 | Management Fees - 3rd Qtr '19 | 167,430.13 |
| Cash Account/Payment Method Total: | | | 31 Documents |
| | | | 1,590,933.74 |

HUNT VEND CHECK US

| Vendor Name | Invoice Number | Invoice Description | Amount To Pay |
|------------------------------|----------------|--|---------------|
| ASCENSION MICHIGAN AT WORK | 366744 | Disability Initial Exam Fees | 1,050.00 |
| ASCENSION MICHIGAN AT WORK | 369460 | Disability Re-Exam Fee | 250.00 |
| ASCENSION MICHIGAN AT WORK | 369462 | Consultation Fee & Medical Record Review | 150.00 |
| CINTAS CORPORATION-300 | 4033854406 | Floor Mats | 130.65 |
| COMCAST | 101719 | High Speed Internet | 180.25 |
| Dean Pincheck | 091919DP | Trustee Parking | 20.00 |
| DELL MARKETING, LP | 10339983697 | Computer Equipment | 113.62 |
| DEROY & DEVEREAUX | 3Q19 | Management Fees - 3rd Qtr '19 | 45,547.00 |
| DIRECTV | 36830878947 | Service Charges 10/23/19-11/22/19 | 39.12 |
| FEDEX | 6-754-93537 | FedEx Mailing | 41.66 |
| FEDEX | 6-762-85185 | FedEx Mailing | 26.26 |
| First CHOICE Coffee Services | 648507 | Coffee Supplies | 150.53 |
| First CHOICE Coffee Services | 650139 | Equipment Rental | 30.00 |
| IRON MOUNTAIN | 170025 | Data Domain Service | 1,229.54 |

Re: Approval of Refunds (Accumulated Contributions)

Trustee Pegg moved to approve the Refunds/Accumulated Contributions list as outlined below. Trustee Brent supported. The motion passed unanimously.

List number 3811 - \$277,928.09

List number 3812 - \$351,406.34

List number 3813 - \$185,009.36

Re: Approval of the Frozen Defined Contribution Plan/Employee Loan Program

Trustee Pegg moved to approve the Frozen Defined Contribution Plan/Employee Loan Program as outlined below. Trustee Berent supported. The motion passed unanimously.

List 3271 – \$26,214.00

List 3272 - \$25,645.00

List 3273 - \$40,629.00

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Re: Approval of Minutes

Trustee Pincheck moved to approve the Minutes of September 19, 2019. Trustee Orzech supported. Trustees Gnatek and Thomas abstained as they were not at the meeting. The motion passed unanimously.

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, Kelly Tapper, addressed the following with the Board of Trustees:

- Save the date from Piedmont Investment Advisors
- Global Governance Advisors
- Request from CDPSU Trust Fund for post January 1, 2015 retiree mailing information

➤ *Trustee Watson and Trustee Battle enter the Boardroom at 9:30 a.m.*

Trustee Orzech made a motion to approve the request by the CDPSU Trustee. Trustee Naglick supported. Trustee Battle abstained. Motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Executive Director, David Cetlinski, addressed the following with the Board of Trustees:

- Reminded the trustees that the office is closed on November 11, 2019 in observance of Veteran's day.
- Procedure for the Disability Hearings later this morning
- Acknowledgement of a 25 year employee, Juanita Waller, is retiring and we will be issuing a special acknowledgement later in the meeting.

➤ *Trustee Roberson entered the Boardroom at 9:41a.m.*

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, Ryan Bigelow, addressed the following with the Board of Trustees:

- The Investment Committee meeting is November 18, 2019 at 10:00a.m.

➤ *Ronald King entered the Boardroom at 9:43a.m.*

- The June 30, 2019 gross & net return numbers are being reviewed by Wilshire
- Black & Blue Report –adding short duration high yield investments

➤ *Trustees James and Jones entered the Boardroom 9:49a.m.*

- SAS Balanced Real Estate Fund, L.P.

Trustee Pegg made a motion as recommended by the Chief Investment Officer, Ryan Bigelow, to approve granting the Cavan Opportunity Fund, LLC an option to purchase the membership

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interests of Glendale Desert Holding, LLC in Glendale-303 Holdings, LLC. Trustee Pincheck supported the motion. The motion passed unanimously.

- Liability Study discussion
- Liquidity Analysis discussion

Disability Appeal Hearing –Knighton

Resolution Moved By: Trustee Jones Supported By: Trustee Berent

WHEREAS, the Retirement System is subject to the limitation of the Open Meetings Act (“OMA”) being MCL 15.261 et seq. and has adopted a resolution on October 24, 2012 relative thereto; THEREFORE BE IT

RESOLVED, that the Board enters into Closed Session for the purpose of discussing physician-patient privileged matters regarding the following:

- (1) Items subject to physician-patient privilege/Disability Appeal Hearing- Knighton

A Roll Call Vote was taken as follows:

Yeas – Battle, Berent, James, Jones, Moslimani, Naglick, Orzech, Pegg, Pincheck, Roberson, Thomas, Trozak, Watson and Chairperson Gnatke – 14

Nays – None

The Board entered into Closed Session at 10:18 a.m.

Re: Open Session

Trustee Pegg moved to come out of closed session. Trustee Berent supported.

The motion passed unanimously.

The Board returned to Open Session at 11:14 A.M.

PUBLIC COMMENT

None

PUBLIC RELATIONS REPORT

- Detroit Free Press inquiry on the Book Cadillac
- 60 minutes will be airing a piece on Detroit on Sunday
- Trustee Roberson in Crain's

LOBBYIST'S REPORT

- State Budget

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- HB5175

GENERAL COUNSEL'S REPORT

General Counsel, Ronald King, in addition to his legal report, discussed the following matters with the Board:

- Trustee Pegg inquired about a decision from Bankruptcy Court on the DROP case. No decision has been made.

David Cetlinski asked employee Juanita Waller to join him at the head of the table as she is retiring. Juanita is recognized for her 25 years of service and drive for excellence with the Spirit of Detroit award by City of Detroit City Council. We thank Juanita for her dedication and send her best wishes in retirement.

Trustee Pincheck made a motion to recognize Juanita Waller for her 25 years of service. Trustee Pegg supported the motion. The motion pass unanimously.

Re: Entering Into Closed Session

Resolution Moved By: Trustee Pegg Supported By: Trustee Pincheck

WHEREAS, the Retirement System is subject to the limitation of the Open Meetings Act (“OMA”) being MCL 15.261 et seq. and has adopted a resolution on October 24, 2012 relative thereto;
THEREFORE BE IT

RESOLVED, that the Board enters into Closed Session for the purpose of discussing Physician-Patient privileged matters regarding the following:

- Physician-Patient Privileged information for Disability Applications & Re-Exams

A Roll Call Vote was taken as follows:

Yea – Battle, Berent, James, Jones, Moslimani, Naglick, Orzech, Pegg, Pincheck, Roberson, Thomas, Trozak, Watson and Chairperson Gnatke – 14

Nay – None

The Board entered into Closed Session at 11:44 a.m.

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Re: Open Session

Trustee Pegg moved to come out of closed session. Trustee Trozak supported. The motion passed unanimously.

The Board returned to Open Session at 12:00 P.M.

Trustee James made a motion to table the re-exam approval for Lisa Diaz and new disability application for Rhuetlia Carter-Smith until more information can be sent to the doctor and he can adjust him disability letters to the Board. Trustee Orzech supported. Motion passed unanimously.

NEW BUSINESS/OLD BUSINESS

Trustee Pegg reported on his attendance to IFEBP with fellow Trustees James, Serda and Berent.

Trustee James offered extra handouts that she found informative at IFEBP, with a concentration on operational audits.

ADJOURNMENT

Trustee Pegg moved to adjourn meeting #3248; Trustee Pincheck supported.

Chairperson Gnatek adjourned the meeting at 12:03 P.M. The Board's next meeting is scheduled for Thursday, November 21, 2019, at 9:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



Kelly Tapper, Assistant Executive Director